

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF IOWA
EASTERN (WATERLOO) DIVISION

UNITED STATES OF AMERICA,)	No. 25-CR-2001
)	
Plaintiff,)	INFORMATION
)	
vs.)	Count 1
)	
DENISHA CLARICE MORRISON,)	18 U.S.C. § 1343:
)	Wire Fraud
)	
Defendant.)	

The United States Attorney charges:

Count 1

Wire Fraud

Introduction

COVID-19 and the National Emergency

1. According to the United States Centers for Disease Control and Prevention (“CDC”), Coronavirus Disease 2019 (“COVID-19”) is a respiratory illness that can spread from person to person. The virus that causes COVID-19 is a novel coronavirus that was first identified during an investigation into a 2019 outbreak in Wuhan, China. COVID-19 can attack human lungs and kill infected persons, especially those who have certain risk factors identified by the CDC.

2. On March 13, 2020, President Donald J. Trump issued a Proclamation on Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak (“the Emergency Proclamation”). The Emergency Proclamation noted that “on March 11, 2020, the World Health Organization

announced that the COVID-19 outbreak can be characterized as a pandemic, as the rates of infection continue to rise in many locations around the world and across the United States.” Further, “[t]he spread of COVID-19 within our Nation’s communities threatens to strain our Nation’s healthcare systems.”

The Paycheck Protection Program

3. The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act is a federal law enacted in late March 2020 that provided emergency financial assistance to the millions of Americans who were suffering the economic effects of the COVID-19 pandemic. One form of such financial assistance was the authorization of up to \$349 billion in forgivable loans to small businesses for job retention and certain other expenses, through a program referred to as the Paycheck Protection Program (“PPP”). Later, in April 2020, Congress authorized an additional \$300 billion in PPP funding and, in March 2021, extended the PPP application deadline through May 31, 2021.

4. In order to obtain a PPP loan, a business submits a PPP loan application (SBA Form 2483), which must be signed by an authorized representative of the business. The loan application requires the business, through its authorized representative, to acknowledge the PPP program rules and to make certain affirmative certifications regarding its eligibility. In the application, the small business’s authorized representative must also provide, among other things, the business’s average monthly payroll expenses and number of employees. These figures are used to calculate the business’s eligibility and the amount of money it

may receive under the PPP. In addition, businesses applying for a PPP loan must provide documentation showing their payroll expenses.

5. A PPP loan application must be processed by a participating lending financial institution. If a PPP loan application is approved by the participating financial institution, that institution funds the PPP loan using its own monies, which are 100% guaranteed by the Small Business Administration (“SBA”). Participating financial institutions require that the information provided in PPP loan applications be truthful, including supporting tax forms and information about the applicant business’s employees and payroll expenses, which is material to the financial institution’s approval and the terms of the PPP loans.

6. Information from the application, including information about the borrower, the total amount of the loan, and the listed number of employees, is transmitted by the lending financial institution to the SBA in the course of processing the loan.

7. PPP loan proceeds must be used by the business for certain permissible expenses – payroll costs, interest on mortgages, rent, and utilities. The SBA allows the principal and interest on the PPP loan to be entirely forgiven if the business spends the loan proceeds on these items within a designated period of time, usually within 24 weeks of receiving the proceeds, and if the business also uses at least 60% of the PPP loan proceeds for payroll expenses.

The Scheme to Defraud

8. From no later than about May 2021, and continuing through at least June 2021, in the Northern District of Iowa and elsewhere, defendant DENISHA CLARICE MORRISON did voluntarily and intentionally (1) participate in a scheme and artifice to defraud with knowledge of its fraudulent nature and (2) obtain money and property by means of false and fraudulent pretenses, representations, and promises (collectively, “the scheme to defraud”).

Manner and Means of the Scheme to Defraud

9. It was part of the scheme to defraud that a PPP application was filed electronically with a participating lender outside of the State of Iowa, Lender-1, in order to obtain a PPP loan for defendant DENISHA CLARICE MORRISON in the amount of \$20,000. It was also part of the scheme to defraud that false, fraudulent, and fictitious documents and statements were submitted to Lender-1 in support of defendant’s PPP loan. For example, Lender-1 received a fictitious 2019 Schedule C, Form 1040, Profit or Loss From Business, which contained false and fraudulent statements about defendant’s gross receipts/sales and net profit from a purported cleaning business.

Execution of the Scheme to Defraud

Count 1: On or about June 8, 2021, for the purpose of executing the scheme to defraud described above, in the Northern District of Iowa, defendant received \$20,000 in PPP loan funds by means of an interstate wire transfer to an account ending in 8852 at CU-1, after a false and fraudulent Schedule C was

submitted in defendant's name that stated that defendant DENISHA CLARICE MORRISON had received \$96,000 during calendar year 2019 from a purported cleaning business.

10. This was in violation of Title 18, United States Code, Section 1343.

TIMOTHY T. DUAX
United States Attorney

By: */s/ Timothy L. Vavricek*

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